

**Letter to Congressional Leaders
Transmitting a Report on
International Agreements**

March 3, 2003

Dear Mr. Speaker: (Dear Mr. Chairman:)

Pursuant to subsection (b) of the Case-Zablocki Act, (1 U.S.C. 112b), I hereby transmit a report prepared by the Department of State concerning international agreements.

Sincerely,

George W. Bush

NOTE: Letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard G. Lugar, chairman, Senate Committee on Foreign Relations. An original was not available for verification of the content of this letter.

**Remarks to the American Medical
Association National Conference**

March 4, 2003

Thanks for such a warm welcome. I appreciate the invitation. I'm honored to be with so many of our Nation's fine physicians and their loved ones.

You've come to our Capital when this Government faces many critical issues. You're here at an historic time. We have got a lot of responsibilities here in Washington. We have the responsibility to defend the American people against the threats of a new era. We have a responsibility to win the first war of the 21st century, and we're working hard to win that war.

Over the weekend, American and Pakistani authorities struck a serious blow to Al Qaida by arresting Khalid Sheik Mohammed, the top operational planner, the top killer of the Al Qaida network. The man who masterminded the September the 11th attacks is no longer a problem to the United States of America.

It's a different kind of war than we're used to in America. It's a war that requires patience and focus. It's a war in which we will hunt down those who hate America, one person at a time. The terrorists are learning there is no place safe for them in this world. They're discovering that justice can arrive by different means, at any hour of the day or

night. They're discovering the meaning of American resolve, our deep desire to defend our freedom and to keep the peace.

It is important for our fellow citizens to recognize life changed on September the 11th, 2001. Obviously, it changed in a tragic way for those who lost loved ones as a result of the coldblooded attacks on our people. But we learned a harsh lesson, and that is, oceans can no longer protect us from those who hate America and what we stand for. And therefore, it's important for the United States to take every threat which may gather overseas seriously, that we can no longer pick or choose whether a threat requires our involvement. If we see gathering threats which can harm the American people, we must deal with them.

We're dealing with Iraq because the dictator of Iraq has got weapons of mass destruction. He's used weapons of mass destruction on his own people. He can't stand America. He can't stand our friends. He can't stand our allies. He's got connections to terrorist networks. The first war of the 21st century requires the United States to work with international bodies to deal with these threats, and we will continue to do so.

I went to the United Nations to remind them that that body has a responsibility to make sure its words means something. I reminded them that for 12 long years the United Nations has asked Saddam to disarm because he's dangerous. We went and got another resolution almost 4 months ago, unanimously approved by the Security Council, which said clearly, "Saddam, you must disarm."

The choice is Saddam Hussein's to make. It is his choice to determine whether there's war or peace. It is his choice to decide whether to listen to the demands of the free world. But no matter what his choice may be, for the sake of peace, for the sake of freedom, for the sake of security of our people, Saddam Hussein will be disarmed.

We have a responsibility to create jobs and increase the momentum of our economy. The role of Government is not to create wealth but an environment in which the entrepreneurial spirit of America can flourish. That's why I'm working with Congress to accelerate tax relief which they've already

passed, to get rid of the double taxation of dividends, to encourage investment. The more money people have in their pockets, the more likely it is they'll demand a good or a service. And when they demand a good or a service, in the marketplace somebody will provide that good or a service. And when they do, somebody in America is more likely to find work.

And today I've come to discuss another responsibility, which is to improve the health care in America. Our vision, our goal is a system in which all Americans have got a good insurance policy, in which all Americans can choose their own doctor, in which seniors and low-income citizens receive the help they need, in which—the system is one in which the patient-doctor relationship is the center of good medical care.

This vision stands in stark contrast to the Government-run health care ideas, the ideas in which the Federal Government decides care, the Federal Government rations care, the Federal Government dictates coverage, a vision which, in my judgment, will stifle innovation, stifle quality, and run up the costs on the patients of America.

We have a lot of work to do on this important issue, but I believe the job can get done. That's why I've advanced this agenda. Speaker of the House Denny Hastert is committed to working toward positive reforms. In the United States Senate, there's a new majority leader. He knows a few things about doctors and patients and their relationships.

I'm here to ask for your help and let you know that we're going to seize the moment and work with people in both parties to achieve meaningful reform that meets the vision that will make health care positive and optimistic and hopeful for all our citizens.

And so, I want to thank you for letting me come. I appreciate Yank Coble. They told me a guy from Jacksonville, Florida, named Yank was going to introduce me. *[Laughter]* I asked him, "Why Yank?" He said he didn't have enough time to explain it. *[Laughter]*

I'm honored that Tommy Thompson is here. Tommy's doing a fine job.

Today we've got a Member of Congress with us from the State of Pennsylvania, and that's Congressman Jim Greenwood. I'm honored you're here, Jim. I appreciate your

dogged determination to pass medical liability reform.

I want to thank Mike Maves and Ed Hill, all the members of the American Medical Association Board of Trustees, and thank you all for coming.

Americans are proud of their doctors and proud of their nurses, proud of the medical professionals in our country. Our Nation has the finest medical professionals in the world. You are more than members of a profession; you are each living out a great calling. You show your concern for patients through years of training and lifetimes of commitment to the well-being of others. I appreciate the work you do. And I want to thank you for your skill, your talent, and your compassion.

America has the best health care system in the world. We have outstanding medical schools, great hospitals, brilliant researchers. We're on the leading edge of new technologies. We're closing in on cures to some of the most feared diseases of mankind. I'm optimistic about our future. That's why I worked with Congress to make sure that the National Institutes of Health received record-level amounts of funding, so that we can be on the leading edge of change, so that we can deal with problems that years ago seemed insurmountable, so that people can live better lives. Yet amidst the optimism, it's important for us to recognize there are serious challenges that we have in health care, and we must confront them now and not wait.

Too many of our citizens go without health care. I propose refundable tax credits to help low-income people purchase their own health insurance. Too many of our citizens use expensive emergency rooms as their main source of health care because they have no other options. We need to make sure those folks have preventative care and treatment before they go to the emergency room. And that's why I proposed and Congress passed increased funding for community and migrant health centers all across the country.

The cost of health care is rising at the fastest rate in more than a decade. There are reasons why there are rising costs. Research is costly. New technologies are expensive, and they're worth the expense. When you save lives with technologies, it's worth the

expense. But other rising costs are unnecessary. And the problem doesn't start in the waiting room or in the operating room. It starts in the courtroom. We have a problem in America. There are too many frivolous lawsuits against good doctors, and the patients are paying the price.

Even the most frivolous of lawsuits can be expensive. A doctor and his or her insurance company must spend money to fight the frivolous lawsuit or, in many cases, settle it to get rid of it. Either way, premiums go up. Either way, the patient pays. When liability premiums get too expensive, some docs stop seeing patients.

If one of the goals of a good health care system is for it to be affordable and accessible, and if lawsuits are running up the cost of medicine and/or driving docs out of business because the practicing of medicine is too expensive, we've got to do something about it. We've got to make sure that the stories I hear about are remedied with good law.

I was in Scranton, Pennsylvania, and met Debra DeAngelo, a fine lady. She's got a great safety record in her pain management clinic. She loved living in Scranton because that's where she was raised. She wanted to practice her talents with the people with whom she was raised. Her liability insurance became so expensive that she couldn't practice medicine in Scranton, Pennsylvania, anymore, and she shut down her clinic, which employed 10 and served 2,000 patients.

In describing her story, she was heartbroken that she couldn't practice where she wanted to practice. She wasn't heartbroken for herself; she was heartbroken for the patients for whom she had great concern and great care. She and her family moved to Hershey, where she's working for a hospital which is covering her insurance needs. Scranton, Pennsylvania, lost a fine person because liability insurance drove her out of town. No good doctor should be forced to leave a community they know and serve simply because of the costs of insurance.

Many doctors serve their fellow humans in some of the most compassionate ways. I went down to Mississippi, met a man who had moved to Mississippi to provide health care for some of our most neediest citizens,

health care in the Delta region of Mississippi, part of our country where we need docs—people need help. And he told me about what it was like to try to practice medicine in a compassionate way. He had heard a calling, and he went to serve his fellow humans. But liability insurance drove this Good Samaritan out of the State. He's now, I think, practicing up in North Dakota or Minnesota. There are some people who hurt who are lucky to have this good doctor in their midst.

There's a story about the lady—and this happens all the time—in Nevada named Ruth Valentine. She's pregnant. She called more than 50 local doctors, and she couldn't find anybody in Nevada to serve her. So she went to Utah, where she's staying with friends until she has her baby. No family in America should face this kind of stress or worry during one of life's most vulnerable moments.

These are just a handful of the stories, which are true and real and happening all across our country. Twenty percent of the hospitals in America have had to cut down on certain services, delivering babies or neurosurgery or orthopedic surgery, because a handful of lawyers have targeted these procedures for frivolous lawsuits.

At the same time, doctors in hospitals are overusing certain tests and treatments as defensive measures to avoid litigation. A recent survey of doctors showed the extent of defensive medicine in America. Eight out of ten doctors say they have ordered more tests than they need to. Three of four refer patients to specialists more often than they believe is medically necessary. Four out of ten prescribe antibiotics more often than they think is needed. All of this defensive medicine is rising costs for patients, for States, and for the Federal Government.

The direct cost of liability insurance and the indirect cost from defensive medicine raise the Federal Government's health care costs by more than \$28 billion a year. When the Federal Government gets hit by higher medical costs, the taxpayers foot the bill. This is a national problem; something which affects our budget so significantly requires a national solution.

We want our legal system to work for our patients. We want people to have a day in

court. Anyone who is harmed at the hands of a doctor should have a hearing. That's what we want for the justice system. They should be able to recover the full cost of their care and other economic losses. If harmed by a doc, they ought to be able to recover their economic costs, economic losses. They should be able to recover noneconomic damages as well. But for the sake of the system, noneconomic damages should be capped at \$250,000.

If harm is caused by serious misconduct, patients should also be able to seek reasonable punitive damages. Without fair and reasonable limits, the legal system looks more and more like a lottery. And with the trial lawyers getting as much as 40 percent of the awards and settlements, it's pretty clear who's holding the winning ticket. American courts should not be serving the self-interest of personal injury lawyers; they should be serving the cause of justice and the needs of Americans' patients.

Last year, thanks to Jim Greenwood and other Members of Congress, the House of Representatives passed good medical liability reforms, but the Senate failed to act. Since then, the problem has only gotten worse. We need to pass medical liability reform through both Houses. You need to contact your Senators. It doesn't matter what political party they're in; you need to contact them. You need to explain the problem in clear terms. I want to sign good medical liability reform this year.

Our legal system must address medical errors as well. One of the best ways to serve patients is to avoid errors and prevent complications before they become injuries. Doctors and hospitals are constantly looking for ways to improve patient safety.

Patient safety is improved when doctors and nurses exchange information about problems and solutions. Yet, in the litigious society in which we live, many doctors are afraid to discuss these efforts openly because they're afraid of getting sued. Doctors don't want to put anything on paper to improve health care quality because it might be given to a lawyer who is fishing around for a lawsuit. I'm going to ask Congress to pass a law to make sure that information developed for

the safety and care of patients is not used by lawyers against doctors and hospitals.

Patient safety also improves when doctors can have access to health records without delay. When a patient has a medical emergency far from home, the attending physician should have quick access to that person's medical records. Yet the health care industry, while progressing in many areas, has lagged in information technology.

Right now, as you all know better than most, health care records are kept in different formats—believe it or not, a lot of times on paper—[laughter]—in files—[laughter]—that can get lost. [Laughter] In the budget for next year I propose an increase of 53 percent for funding to help hospitals use information technology to keep better records, to share that information with doctors so we can continue to improve patient safety.

Tommy Thompson and his Department are leading the way, and they're making good use of information technology. For example, they're using information technology for an online comparative guide to nursing homes. It's a good use of the Internet. It's a good way to speak directly to the consumers of America. Families are now able to compare nursing homes to one another. That makes sense. There's nothing like enhancing quality by holding people to account. They're able to compare on measures such as infection rates or how well patients are progressing in getting on their feet. It's the practical way to use the information technology.

And that's important, particularly for nursing homes, because our Nation has accepted a special responsibility for the health of senior citizens, to make sure that the years of retirement are not years of hardship, needless hardship. Our Medicare system is a binding commitment of a caring society. We must renew that commitment by providing the seniors of today and tomorrow with preventative care and the new medicines that are transforming health care in our country.

When President Lyndon Johnson signed Medicare into law 38 years ago, he promised a system that would bring the healing miracle of modern medicine to senior citizens. In 1965, modern medicine almost always meant physician care inside a hospital. Now modern

medicine offers much more: drug therapies, new medical devices, disease screening, and preventative care. All seniors and disabled citizens on Medicare should have access to these advantages. They do not.

Compared to people with private health plans, Medicare patients have limited choices. Medicare will pay a doctor to perform a heart bypass operation but will not pay for drugs that could prevent the need for surgery. Medicare will pay for an amputation but not for the insulin that could help diabetes patients avoid losing their limbs. Medicare will pay for chemotherapy and cancer surgery, but after private insurers made annual mammograms a standard benefit, it took 10 years for Medicare to do the same and then only because the United States Congress passed a law. Seniors should not have to wait for an act of Congress to get effective, modern health care.

Medicare does not protect our seniors from overwhelming hospital bills. If you have to go to a hospital, Medicare charges you an \$840 deductible. After 2 months, you are charged \$210 a day. After 3 months, Medicare charges \$420 a day. And after 5 months, Medicare leaves you with the whole bill.

By comparison, a standard plan for Members of the United States Congress and other Federal employees charges a copayment of \$100 when you enter the hospital and not a dollar more, no matter how long you have to stay. Medicare is supposed to protect the savings of our seniors. In many cases, it doesn't.

I recently went out to Grand Rapids, Michigan, and met Pat Wahl. She suffers from rheumatoid arthritis. That requires expensive medicine. She lost her husband in the year 2000. She lost his health coverage. She had to depend entirely on Medicare. Soon her medical bills began to exceed her income, and she was forced to sell her house.

This is an incredibly sad story, when you think about it; certainly sad listening to Pat in Grand Rapids. They're unnecessary stories. We can and we must improve Medicare and protect our seniors from runaway health care costs.

Medicare reform is a large and complicated task. People have strong opinions on this matter. And we will need broad coopera-

tion to move forward. We're working closely—I say we—my administration and Tommy and members of my staff and members of his staff are working closely with good and serious-minded leaders in both Houses, leaders such as Senators Frist and Grassley and Breaux, Speaker Hastert and Congressmen Thomas and Tauzin. We share a basic commitment to get something done, and we share a commitment to these goals of reform.

A modern Medicare system must offer more choices and better benefits to every senior—all seniors. All seniors should have help in buying prescription drugs. Those who can least afford them should have extra help. Seniors should be protected from out-of-control premium increases. And all seniors should be able to choose the health care plan that best fits their needs without being forced into an HMO.

The element of choice is essential. When a bureaucracy is in charge of granting benefits, new benefits usually come slowly and grudgingly, if at all. When insurance providers compete for a patient's business, they offer new treatments and services quickly. If they don't, the patient—the customer—will look for better services elsewhere. Because it is in the best interests of providers to have healthy customers, patients will get the quality care they need.

The framework for Medicare reform I'm releasing today would give seniors the freedom to select one of three broad opportunities. First, seniors who are happy with the current Medicare system should be able to stay in the system and receive help for prescription drugs. To reform the current system, I propose we issue a discount card that will reduce the cost of prescription drugs for every senior by 10 to 25 percent. We will provide an annual \$600 subsidy to low-income seniors to pay for prescription drugs. And we will set annual limits on the amount seniors will have to spend out of pocket on drugs at no additional premium.

Second, seniors who want more coverage will be able to choose an enhanced form of Medicare. This option will include full coverage for preventative care, a comprehensive prescription drug benefit, protection against high out-of-pocket costs, and extra help for low-income seniors to be able to get the drug

benefit. Seniors will be able to choose their specialists, their hospitals, and their primary doctors. The fee-for-service arrangement would offer seniors similar kinds of choices now enjoyed by the Members of Congress, who are given a broad choice among competing health care plans. What is good for the public servants, including Members of the House and Senate, is good for America's seniors.

Third, seniors who want the kind of benefits available in managed care plans, including prescription drug coverage, will have that choice as well. This option would place seniors in an affordable network of doctors, provide drug coverage, and allow seniors to keep their out-of-pocket costs to a minimum.

Moving toward this system will take time, and as we make these changes, all American seniors will receive a prescription drug discount card to use right away. And low-income seniors will be eligible immediately for the annual \$600 Medicare prescription benefit.

Leaders of both political parties have talked for years about this issue, about adding a prescription drug benefit to Medicare. And the time for action is now. The budget I submitted will commit an additional \$400 billion over that which we have already committed to, over the next decade to implement this vision of a stronger Medicare system. We are committed to reform; we are committed to funding the reforms.

We have a responsibility—the docs, those of us in elected office, America's seniors—to work together to make sure Medicare fulfills its promise for this generation and for generations to come.

Our Medicare system depends on the skill and dedication of physicians. You know that. And that dedication should be fairly compensated. As Yank mentioned, we work with Congress to protect doctors from deep cuts in Medicare disbursements. Effective this past Saturday, instead of a 4.4-percent reduction in Medicare payments, docs will receive a 1.6-percent increase. This increase is a sign of confidence in our doctors, and I hope that all of you will show your confidence in Medi-

care by staying in the system. Medicare needs you. Our seniors need you.

Whether the issue is reforming Medicare, enhancing patient safety, or correcting abuses in the legal system, the stakes are high. We must make sure that the choices of patients and the judgment of doctors are at the center of American health care. We must preserve the great innovation and quality of private medicine. We must keep our commitments to the elderly, and help bring the healing miracle of modern medicine to the people who need it in our time.

All of you as members of the medical profession exercise that healing power and uphold a great trust. I appreciate the work you do. You have my respect. And in the days ahead, I look forward to working with you on these needed reforms. May God bless your work. And may God continue to bless America.

NOTE: The President spoke at 10 a.m. in the International Ballroom at the Washington Hilton Hotel. In his remarks, he referred to President Saddam Hussein of Iraq; and Dr. Yank Coble, Jr., president, Dr. Michael D. Maves, executive vice president, and Dr. J. Edward Hill, chair of the board of trustees, American Medical Association. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on the Release of Low Income Home Energy Assistance Funding

March 4, 2003

I am pleased to announce today that the Secretary of the Department of Health and Human Services Tommy Thompson is releasing \$150 million in Low Income Home Energy Assistance funding. This additional funding will provide much needed help for families struggling with rising heating costs. This new money, combined with emergency funds released in January, will help keep many Americans warm during this cold winter.